



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed October 25, 2022

  
United States Bankruptcy Judge

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re:	§	Case No. 19-34054-sgj11
	§	
HIGHLAND CAPITAL	§	Chapter 11
MANAGEMENT, L.P.,	§	
	§	
Reorganized Debtor.	§	

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**AGREED ORDER**

This matter having come before the Court on the *Motion for Leave to File Proceeding* [Dkt. No. 3507] (the “Motion”)<sup>1</sup> filed by CLO HoldCo, Ltd. (“CLO HoldCo”) in the above-captioned chapter 11 case; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having considered the Motion, the material submitted in support of the Motion, and responses to the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish sufficient cause for the relief granted herein; and adequate notice of the Motion having been given; it is hereby **ORDERED** that:

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Motion.

1. HCLOF is not a “Protected Party,” and Article IX.F of the Plan<sup>2</sup> (the “Gatekeeper”) therefore does not prohibit or prevent CLO HoldCo from pursuing the Unfair Prejudice Action against HCLOF.
2. This Court makes no findings or determinations regarding whether the Unfair Prejudice Action is colorable for purposes of the Gatekeeper.
3. Under applicable Guernsey law, there is no formal requirement that CLO HoldCo deliver notice of the Unfair Prejudice Action to the HCM Shareholders. This Court makes no finding on this Motion as to whether delivery of notice of the Unfair Prejudice Action to the HCM Shareholders would violate the Gatekeeper.
4. CLO HoldCo shall make changes to the Application and Affidavit as previously filed as exhibits to the Motion prior to their filing in the Guernsey Royal Court, as reflected in the attached redline versions of the Application and the Affidavit (without exhibits).
5. CLO HoldCo shall make no statement or representation to the Guernsey Royal Court as to whether the HCM Shareholders or Highland HCF Advisor, Ltd. (“HCFA”), are “Protected Parties” under the Gatekeeper, except as otherwise required by this Order.
6. Neither the HCM Shareholders nor HCFA can be added as defendants in any action commenced by CLO HoldCo in the Guernsey Royal Court unless and until this Court has issued an order determining that the HCM Shareholders or HCFA are not protected by the Gatekeeper or that CLO HoldCo’s claim or cause of action against such party is colorable.

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<sup>2</sup> “Plan” means the *Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)* [Dkt. No. 1808], as may be amended..

7. The HCM Shareholders shall not cause themselves to be added as defendants in the Unfair Prejudice Proceeding unless CLO HoldCo materially alters the Application and Affidavit to pursue or seek relief against any HCM Shareholder or HCFA.
8. In its Application, CLO HoldCo will disclose and file a copy of this Order, the Plan, and the Confirmation Order<sup>3</sup> with the Guernsey Royal Court.
9. If (a) notwithstanding CLO HoldCo's compliance with this Order, the Guernsey Royal Court, on its own authority or at the request of any party other than the HCM Shareholders or CLO HoldCo, nevertheless names any HCM Shareholder or HCFA as a defendant (nominal or otherwise) in any action in the Guernsey Royal Court commenced by CLO HoldCo, or (b) CLO HoldCo materially alters the Application and Affidavit to pursue or seek relief of any kind against any HCM Shareholder or HCFA, then CLO HoldCo may not pursue or seek any relief against any HCM Shareholder or HCFA unless this Court has issued an order determining that any such party is not protected by the Gatekeeper or that CLO HoldCo's claim or cause of action against such party is colorable.
10. All relief requested by CLO HoldCo in the Motion is resolved by this Order, and, for the avoidance of doubt, the Court makes no other findings or determination.
11. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

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<sup>3</sup> "Confirmation Order" means the *Order Confirming the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)* and (ii) *Granting Related Relief* [Dkt. No. 1943], as may be amended.

**AGREED TO BY:**

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**### END OF ORDER ###**